



## Original Research Article

### RELATIONSHIP BETWEEN MEDIUM OF ORGANIZATIONAL LEARNING AND SERVICE PERFORMANCE OF CONSTRUCTION COMPANIES IN LAGOS STATE, NIGERIA

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#### ARTICLE INFORMATION

##### Article history:

Received 03 May, 2018

Revised 18 May, 2018

Accepted 20 May, 2018

Available online 30 June, 2018

##### Keywords:

Construction

Organizational learning

Service performance

Regression analysis

Questionnaire

#### ABSTRACT

*This study focused on the relationship between medium of organizational learning and service performance in construction companies in Lagos state, Nigeria. Emphasis was on Individual, Group and Organizational forms of learning. A total of 82 questionnaires were administered to key professionals in the construction industry and 68 were returned for analysis. Regression Analysis was used to test the relationship between the medium of organizational learning and service performance in construction companies. The type of research design deployed was descriptive research, and also the study adopted random sampling technique. Findings revealed that Organizational, Group and Individual medium of learning all had a positive effect on service performance with p-values of 0.009, 0.346, and 0.556 respectively, but with a criterion of  $p < 0.05$ , only organizational medium of learning was significant. The study recommended that the best way of learning in construction companies is to enhance the organizational learning medium.*

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## 1. INTRODUCTION

The construction sector is a vital part of any economy because of its size and the potential role it can play in the development efforts of the economy (Nisa, 2006). Construction is often used as an indicator of the socio-economic development of a nation and, is therefore, indispensable in the process of socio-economic development. Its contribution to the national economy is well represented through the construction value addition, investment, employment, trade balance and sectoral linkages (Senaratne and Sabesan, 2008). As Nigeria's construction industry strives to improve and become globally recognized, it must undergo a major transformation to equip and enhance the

skills of its members so as to catch-up with the developed nations which will thereby improve the economy of the country. A major way to improve Nigeria's construction industry is by enhancing the learning skills, modes and techniques. Learning would enable organisations to develop their intellectual capital, which provides the engine for growth, the power to manage change and help to generate innovations (Dulaimi and Ang, 2009).

Susana and Jose (2005) stated that an organisation that dynamically deals with a changing environment should not only process information efficiently, but also create information and knowledge. Analysing the organisation in terms of its design and ability to process information constitutes an important approach to interpreting certain aspects of organizational activities (Nonaka, 1995). In practice, the lack of knowledge sharing has proved to be a major barrier to the effective management of knowledge in organizations (Davenport and Prusak, 1998). For a firm to prosper and survive it must sustain a competitive advantage. Practitioners and academics alike agree that, for service firms, one means to achieve this competitive advantage is by offering superior service quality (Julie and Arthur, 1999). However, if the firm cannot find a way to sustain its advantage, it cannot last long (Kit-yu, 2007). In fact, the ultimate goal of organizational learning is to ensure continuous improvement of an organization.

Learning is mainly understood as education and training (Matzdorf, 2000). In a more theoretical sense, learning is a process of change in the situation-action linkages (Carroll, 2003). Learning is a process of change in cognition and behaviour, and it does not necessarily follow that these changes will directly enhance performance (Crossan and Berdrow, 1995). Learning covers all efforts to absorb, understand and respond to the world around us. Learning is the essential process in expanding the capabilities of people and organisations. Learning is not just about knowledge. It is about skills, insights, beliefs, values, attitudes, habits, feelings, wisdom, shared understandings and self awareness. In the project cycle, learning is seen as a means to increase organisational efficiency and reduce repetition of mistakes.

Learning can occur in three ways: An area of learning that happens before a project is started can be called 'Learning before' and focuses on taking time to learn from others and drawing practical conclusions from past lessons. 'Learning during' occurs while a project is being carried out and focuses on continuous reviewing of the project's objectives and the organization's capacity. Lastly, 'Learning after' which happens after a project has been completed, focuses on giving a structure to general reflection, follow up and future reapplication of lessons.

In view of the aforementioned benefits of learning in any organization, this study is geared towards establishing the relationship between the various medium of organizational learning and service performance of construction companies in Lagos state, Nigeria.

## 2. METHODOLOGY

The study explored the opinions of a sample of Nigerian construction professionals. The target population for the study comprised of Architects, Quantity Surveyors, Builders and Structural Engineers. These were randomly selected from Consulting firms, Construction companies and government establishments all in Lagos State, Nigeria. The data for the study were collected through the use of questionnaire survey. However, 68 questionnaires were returned out of 82 administered which represented an 82.9% response rate. Ordinal multiple regression analysis was used to ascertain the relationship between organizational learning and service performance.

$$Perf = b_0 + b_1Ik + b_2Gk + b_3Ok - b_4Mis \quad (1)$$

Where: *Perf*= Performance; *Ik* = Individual knowledge; *Gk* = Group knowledge; *Ok* = Organisational knowledge; *Mis* = Misalignment

Bontis and Crossan (1999) asserted that misalignment between knowledge mediums and knowledge flow as well as rating of each medium of learning and performance should be calculated using;

$$Perf = a12 + b12 + c12 + d12 + e12 + f12 + g12 + h12 + i12 \quad (2)$$

$$Mis = \left( \frac{Ik+Gk+Ok}{3} \right) - \left( \frac{FF+FB}{2} \right) \quad (3)$$

Where: FF = Feed Forward; FB = Feed Backward

### 3. RESULTS AND DISCUSSION

To establish the relationship between organizational learning and service performance, regression analysis was carried out and results are shown in Table 1.

Table 1: Relationship between organizational learning and service performance

Model	Model Performance		
	B	t-value	p- value
Constant	20.847	4.351	0.000
Ok	0.458	2.780	0.009
Gk	0.131	0.956	0.346
Misc	-0.037	-0.187	0.853
Ik	-0.069	-0.594	0.556
Df	4.33		

criteria =  $p < 0.05$ ; Predictors: (Constant), Ok, Gk, Ik and Mis

Table 1 reveals that Individual level knowledge medium, group level knowledge medium and organizational level knowledge medium all had a positive effect on service performance. Admittedly, the result was only able to confirm that the organisational knowledge medium is statistically significant to the proposed service performance model. This result also shows group medium has a relationship to business performance. Misalignment and individual medium of learning had a negative effect on the proposed model, though these three variables are not statistically significant at 5% level of significance. However, the result was not able to confirm that misalignment of knowledge mediums and knowledge flows must have negative association with service performance due to their insignificance.

$$Perf = 20.847 + 0.458Ok \quad (4)$$

Ok explains 45.8% of variations in performance; thereby proving to be an efficient means of boosting service performance in construction companies. The value of the  $R^2$  indicates the strength of the relationship between the dependent variable and the independent variables. There is a perfect relationship when  $R^2$  is 1 and otherwise when it is 0. The value of the Adjusted  $R^2$  from the regression analysis is 0.384; this implies that 38.4% of the dependent variable is defined by the model.

Table 2: Regression values between Organizational learning and service performance

Variables	R	$R^2$	$f_{tab}$	p
Organizational learning and service performance	0.671	0.384	6.34	0.009

Organizational knowledge medium being a medium of organizational learning, therefore there is a significant positive relationship between organizational learning and service performance in construction companies.

#### 4. CONCLUSION

This result from the study conclusively portrays the best way of learning to enhance service performance in construction companies is to enhance the organizational knowledge medium.

#### 5. CONFLICT OF INTEREST

There is no conflict of interest associated with this work.

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